

# Voting with Euros

About: Julia Cagé, *Le Prix de la démocratie*, Fayard

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**The ways in which political parties are funded, in France and elsewhere, tend to reinforce the invisibility of certain groups and the political influence of the wealthiest people in society, in particular through right-wing parties. Are there, Julia Cagé wonders, more democratic ways of funding democracy?**

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In *Le prix de la démocratie* (*The Price of Democracy*), Julia Cagé analyses the ways in which political parties are funded in several countries, including France. By drawing up a database of information on the funding of several political movements and parties, she provides us with an international overview of the ways in which democracy is funded today. Her book leads us to draw two major conclusions that go beyond the substantial differences she observes between different countries: 1) the current funding of democracy tends to perpetuate and reinforce the lack of representation of certain groups, as well as their political invisibility. In *all* the democratic states that she studied, the weight of the wealthiest members of society in the funding of democratic life is extremely high. 2) If we are to act on this, one of the most crucial battlefields and sources of confrontation is taxation. How topical, did you say?

## Oligarchic Tendencies?

If her book can help us understand the current situation in French politics, this is partly because Cagé invites us to distance ourselves from a simple celebration of the “good health of a ‘French-style democracy’ viewed as comfortably removed from the problems that plague American democracy” (p. 67). It is indeed true that the amounts invested into political campaigns in the United States are dizzying: companies can massively fund the causes of their choice through Political Action Committees (*PACs*) and public policies are massively

advantageous to the wealthier members of society. All of this has even prompted the political scientists Gilens and Page to conclude that the United States were a *de facto* oligarchic society<sup>1</sup>. It is thus certainly true that the United States have some real problems of their own to contend with. But a similar dynamic is at work in all the countries that Cagé studied, including France and Canada: the preferences of the rich are systematically pandered to, whereas those of the lower classes are side-lined, except in such rare and happy cases as these two sets of interests coincide. This is what Gilens and Page call “democracy by coincidence”, in which the preferences of the lower classes are *only* taken into account if they happen, for various reasons, to coincide with those of the wealthier members of society.

It is true that France is characterised by its policy of capping funding (donations from private individuals to parties or groups are thus capped at 7500 euros), and by the fact that it forbids legal entities (including companies) from making such donations. But Cagé shows that such measures do not eliminate all problematic relationships between money and politics. Above all, she reveals the perverse effects of the fiscal measures that structure French political life. The author takes as an example an individual with a (taxable) annual income of 100,000 euros, who makes a 7500 euro donation. The government will deduct 66% of this amount from this person’s tax, which comes to 4950 euros, so that the donation will in reality have cost this person 2550 euros. For a citizen who earns 9700 euros a year (the minimum amount above which an unmarried person is liable to pay tax), a 7500 euro donation really does cost 7500 euros. In short, the funding system plays into the hands of the richest members of society, whose contributions are subsidised by the public authorities.

Cagé makes three ambitious proposals for renewing our democracy: 1) a drastic limitation of the private funding of democracy (with a limit set at 200 euros a year); 2) the creation of “democratic equality vouchers” (“bons pour l’égalité démocratique” – BED) aimed at renewing the funding of political parties and movements. Every citizen, when they fill out their tax return, would be able to choose the party or movement that will be given their “voucher”, for an annual amount of 7 euros of *public money*; 3) the establishment of a Social Diversity Assembly, in which a third of seats would be reserved for “social representatives”, elected from lists that reflect the socio-professional diversity of the population.

More generally, *Le prix de la démocratie* documents the dysfunctions of democracies in the context of increasing inequalities. Cagé’s work thus follows on from that of academics such as the political scientists Gilens and Page, the legal experts Richard Halen and Larry Lessig or the economist Thomas Piketty, who have all in their own way analysed the emergence of what we must indeed call oligarchic tendencies in liberal democracies<sup>2</sup>. The wealth and breadth of

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<sup>1</sup> Gilens and Page, “Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens”, *Perspectives on Politics*, 12:3 p.564-581.

<sup>2</sup> Cf. Gilens and Page, “Testing Theories”, Gilens, *Affluence and Influence. Economic Inequality and Political Power in America*. Princeton University Press and Russell Sage, 2012. Lessig, Lawrence, *Republic, Lost 2.0: The Corruption of Equality and the Steps to End It*, New York, Twelve, 2015. Piketty, Thomas, *Le Capital au XXIe siècle*, Paris, 2013.

these works are such that one might be tempted to say they constitute a field of study in its own right (“oligarchy studies”?).

## For a Regulation of the Funding of Democratic Life

While this book is a substantial piece of empirical work, it also provides us with the basis for a normative argument aimed at *justifying* more aggressive regulation of the funding of democracy. Indeed, Cagé provides us with some tools for invalidating a certain number of anti-regulation arguments. Let us mention two of these here.

One argument involves the claim that spending money to fund political parties is a form of political discourse, a perfectly legitimate way of making one’s voice heard that should not be restrained by regulations. In this view, limiting an individual’s capacity to fund political life is incompatible with a serious commitment to freedom of expression. This is the “money is speech” argument, which is very prominent in the American political imagination, given the place occupied by money in politics and a commitment to freedom of expression that sometimes borders on fetishism.

This argument, which is briefly mentioned and disqualified by Cagé as “libertarian”, is both powerful and troubling. It is powerful because it appeals to certain strong and largely shared intuitions that we have about freedom of expression. And it is troubling because it seems to lead to a brutal form of political exclusion for disadvantaged groups, as well as to a necessarily impoverished concept of what constitutes political debate.

We should note that Cagé accepts the premises of this argument while rejecting its conclusion. Indeed, in *Le prix de la démocratie*, money is treated very seriously as a form of political discourse—one of its most influential forms in fact. Cagé reminds us that our vote has a price, that political spending translates into votes, into the satisfaction of given preferences as well as into concrete public policies, that the funding of democracy is a crucial but oft-neglected issue; in short, that the connections between money and politics are inextricable. But she rejects the “libertarian” conclusion. There are legitimate reasons for wanting to regulate the way in which citizens “talk” with their money.

In order to defend such a thesis, we must first get rid of the so-called *neutrality of content* of money. Indeed, the argument that *money is speech* erases the political weight of donations, as if money did not favour any particular political content. However, as Cagé shows, in most of the countries she has studied, there is not only a flagrant inequality between donors, but also between beneficiaries. Right-wing parties tend to receive more funding. A deregulated system thus favours right-wing speech.

Another response, which is often neglected, but which Cagé underlines, is the following: if *money* represents a form of political discourse, then *this* is what we should be redistributing if we take political equality seriously. From this perspective, a policy of *economic* redistribution is thus justified in the name of *political* equality.

Another anti-regulation argument involves claiming that donations to political parties are merely a form of ideological consumption. More than an investment with a view to making a return, such donations are simply one way among others of displaying one's wealth. They are the political equivalent of ostentatious consumption. In short, yes, money is indeed a form of political discourse, but it is one that is ultimately rather benign. It does not as such allow donors to ensure that their preferences are necessarily taken into account.

This is the argument that is put forward by Stephen Ansolabehere, John M. de Figueiredo and James M. Snyder Jr. in their influential article "Why so Much Little Money in U.S. Politics?".<sup>3</sup> They claim that if money did lead *de facto* to the satisfaction of the political preferences of the wealthy, in particular in a deregulated political environment like that of the United States, then we must admit that far from there being *too much* money in politics, there is in fact *not enough*. They then conclude that the money that is spent on politics can only obey the logic of ideological consumption. The wealthier in society give, following the logic of distinctive competition, to assert their prestige, or alternatively following the logic of confirmation, to confirm their position within the *élite*.

Upon reflection, this line of argument has an advantage: it discards from the start the apparent *neutrality of content* of money. Indeed, if the money spent on politics is a form of ostentatious consumption, then it cannot be neutral: its content must correspond to that of a very specific type of discourse—that of the wealthy. The neutrality of money thus evaporates, and the reality of economic inequality reappears. For, of course, the lower classes cannot even *imagine* such ostentatious forms of participation in politics.

But what Cagé shows is precisely that money in politics is *not just* ideological consumption. On the contrary, its introduction goes hand in hand with the takeover of the electoral game by the weight of money—something which is true even when the amounts involved are not gargantuan. Donations to parties are not neutral, especially above a certain amount, and they *favour, in very concrete terms, certain specific interests*. For we can legitimately suppose that major donors tend to favour parties that will pursue more conservative policies, in particular from a fiscal perspective. And they will uphold the fiscal strategy that allows them to express their political preferences by transferring part of the bill to all taxpayers. Finally, this takeover is reflected in the "public policies which are implemented every day and which, like the extreme increase in flexibility of the labour market or the numerous tax breaks awarded to

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<sup>3</sup> Stephen Ansolabehere, John M. de Figueiredo and James M. Snyder Jr. "Why so Much Little Money in U.S. Politics?", *The Journal of Economic Perspectives*, 17:1, 2003.

the wealthiest members of society, only translate the preferences of the wealthiest people, against the preferences of the poorest”. (p. 329)

Thus, money cannot be viewed as one discursive practice among many others, which supposedly favours a plethora of diverse perspectives. As discourse, money tends to favour, in very concrete terms, those who have the most of it. It is thus (1) neither neutral (2) nor without effect.

Cagé suggests we abandon the theory of “ideological consumption” in favour of a theory of “return on investment”. She then puts forward similar results to those obtained by Gilens and others: money has a real weight in democracy—far too much weight.

## What Democratic Theory? Deliberation, Corruption and Political Equality

What *normative* theory of democracy would allow us to think *along the same lines as* Cagé? Three types of considerations are worth taking into account here.

We might first mention the vocabulary of deliberative democracy. For deliberative democrats, the sources of democratic legitimacy must be drawn from public deliberation, including a practice of “exchanges of reasons” within multiple and inclusive spaces. The citizens of a democratic community can give meaning and legitimacy to their common future by deliberating among themselves. Deliberative democracy thus has a key *epistemic* dimension, meaning that it is characterised by a constant concern for the *quality* of our democratic debates, for the capacity of these to get us closer to the “truth” and to move us ever further away from the rule of ignorance.

Cagé seems to be in favour of such an approach, in particular as a result of her previous work on the media and her scepticism towards populist discourse. Indeed, our democratic “crisis” is (partly) a crisis of democratic discourse, and perhaps a political discourse that is closer to deliberative ideals is the ideal solution. Cagé clearly wants “intelligent” democratic institutions, and praises the work of Hélène Landemore on the capacity of deliberative institutions to produce “collective wisdom”.

And, from a deliberative perspective, our political preferences should not be seen as “fixed”, but rather must be constantly interrogated, evaluated, criticised. And above all, they must not simply be promoted via such a poor medium as money. They must be subjected to the test of a constant discussion within the context of a vibrant public space.

We thus see here the outline of a fruitful deliberative criticism of the funding of democratic life—one that Cagé could have developed. But the *justification* of proposals such as

the Mixed Assembly and the BEDs could not be based *only* on such deliberative (and in particular epistemic) considerations.

Is the issue here then to diagnose a *corruption* of democracy? This is a credible option, given Cagé's referral to the works of Lawrence Lessig and others. For we must indeed admit that the quasi-automatic connection between donations and the satisfaction of political preferences looks very much like what we generally describe as *quid pro quo* corruption, meaning corruption of the "money-for-favours" type. But the theoreticians, like Lessig, of "institutional corruption", tend to attract our attention less to this type of "individual" corruption as to the misappropriation of democratic institutions through the private influence of money. This is a corruption as defined by the Ancients, in the sense of a deliquescence of institutions that are no longer able to realise their *telos*.

Such a conception seems to underlie the reasoning of the Supreme Court of the United States in the *Austin v. Michigan Chamber of Commerce* (1990) ruling, which upheld a law forbidding companies from using their financial resources to support a candidate in elections (this ruling was overturned twenty years later by the *Citizens United* ruling). As Ronald Dworkin noted, by warning us against the "dangers of corruption", the Court was not referring to the classic form of corruption as an exchange of favours, but rather to "another form of corruption", that of democratic *institutions*.

Cagé can absolutely draw our attention to these different forms of corruption. But that is not all, since, once more, focussing on corruption is not enough to justify her proposals.

We should note that, in the American context, the language of corruption is quickly mobilised because it seems almost impossible politically to use that of equality. In short, "corruption" arouses indignation and motivates people to take action, while inequality is "socialist". But this is problematic and, luckily, may be changing. According to Hasen for example, the "other form of corruption" referred to by the Court in *Austin* does not refer only to the corrosive effects of money on congress and the elections, but also very simply to its destructive effects on *political equality* between citizens<sup>4</sup>.

We should therefore be mobilising the language of equality, and we must hope that such a thing is still possible in the French political landscape. As Cagé notes from the start of her book, democracy promises us equality (p. 37), but this is put at risk by the system for funding political life. Here, we might call to mind Rawls, who placed political liberties that were *equal for all* at the heart of his theory of social justice. And for him, it is the value of these political liberties that are equal for all that is diminished whenever "those who have greater private means are permitted to use their advantages to control the course of public debate"<sup>5</sup>. Thus, the issue here is not to deplore the lack of participation of the lower classes in elections, in public debates

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<sup>4</sup> Richard Hasen, *Plutocrats United: Campaign Money, the Supreme Court and the Distortion of American Elections*, New Haven, Yale University Press, 2016.

<sup>5</sup> Rawls, *Justice as Fairness—A Restatement*, Cambridge MA, Harvard University Press, 2001.

or in the life of political parties, which would suggest that equal political liberties are “already there” but are poorly used. No, what is troubling is the fact that these activities, when they are conducted by large segments of the population, are *devalued* within political dynamics that are characterised by economic inequality, such as those studied by J. Cagé.

This is why one of the great failings of our democratic societies continues to be their inability to guarantee what Rawls calls the *just value* of political liberties that are equal for all, and to implement the necessary corrective measures. The BEDs constitute one of these corrective measures. But even more than these, the project for a mixed Assembly seems promising. For the devaluing of political liberties for some individuals is explained by our current representative dynamics, in which the deficit in representation is “less chosen than endured” (p. 415), to use Cagé’s words. Thus, as the philosopher Anne Philips has argued, the hopes placed in representation solely “through ideas”, without being vain, have already met with several obstacles. Perhaps it is time to test a “politics of presence”, so that the lower classes can really exist politically, by being *present* in the Assembly<sup>6</sup>. This may be a “radical” measure, as Cagé herself admits, but it would be worthy of a genuine commitment to political equality.

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<sup>6</sup> Cf. *Politics of Presence*, Oxford, Oxford University Press, 1998.